

KarstadtQuelle

ONE FOR ALL AND ALL FOR ONE

Uniserv software used for central address data management by the department store group / Ca. 100 million addresses in the final stage

The newly founded KarstadtQuelle Information Services GmbH (KQ IS) is co-ordinating the operation of a customer data warehouse which encompasses the whole KarstadtQuelle Group. KarstadtQuelle is also working on a new central client-capable address management system (AMS), which will gradually come to support every company in the Group. Both systems enable the handling of multiple clients under a single uniform management profile. This makes it possible to provide selected information to subsidiaries with a business relationship to any particular address, while strictly observing data protection regulations. KarstadtQuelle aims to unify the entire Group's address management with the step-by-step integration of the Group's companies into AMS. There are also plans for KQ IS to extend its address management services based on this new system to clients outside the group.

The thinking behind these address management systems stems from the recognition that the basis of direct communication with customers and prospects is a centrally-maintained, client-capable address database which at the same time is postally correct, up-to-date and duplicate-free. Central management eliminates the cost-intensive multiple maintenance of an address: a client's data can be entered once, but the systems automatically make that information available to all other clients with access rights, i.e. those with a business relationship to that customer. This effectively cuts out the need to enter every change to a client's data in each independent system and avoids disparate legacy data in various systems.



By ensuring addresses are always accurate and up-to-date, return rates for mailings are kept to an absolute minimum. The elimination of duplicate addresses in a central database avoids several mailings to one and the same person as well as slashing costs. In addition, the system means addresses can be sorted accurately in line with post office guidelines, so that savings can be made on the postage of mass mailings. Yet another benefit is the resulting reduction in printing costs for brochure material and catalogues for example.

AMS Special

Special access rights ensure that users of data from the address management system are only permitted access if a business relationship exists. The system not only centralizes and co-ordinates data updates by staff, but also keeps the

database fully up-to-date by regularly integrating information on recently renamed cities and streets, postal changes as well as relocation reports from the Deutsche Post Adress GmbH. Any new information is automatically made available to all group subsidiaries with a business relationship to the relevant customer.

Key Word: Geo-marketing

One particularly interesting aspect of AMS is the potential for combining high-quality, centrally managed addresses with additional geo-marketing or micro-marketing information. In a joint venture with Deutsche Post, KQ IS has developed the leading "micro-dialogue" database. Data about the residential environment or typical market behavior of a particular "micro-cell" offers clear advantages especially in the mail order sector, where in contrast to the stationary retail sector there is no direct customer contact. Offers can be specifically targeted and individually matched to a cus-

tomers, whilst advertising dispersion is optimized for both prospects and inactive addressees. The information on residential environment reflecting socio-demographics, educational status and purchasing power contributes to more efficient customer acquisition.

Brilliantly Simple – Simply Brilliant

It was with this in mind, that project leaders at KQ IS first developed the central core of AMS. Software from Uniserv simplifies address management tasks such as postal verification, duplicate checking or postage optimization. As Hans-Gerhard Müller, Special AMS Co-ordinator for KQ IS explains: "We opted for Uniserv solutions as a basis for the development of future address management solutions in the KarstadtQuelle Group after an

The Essen-based KarstadtQuelle Information Services GmbH (KQ IS) is a subsidiary of the KarstadtQuelle Group. The company was founded on January 1, 2002 as part of efforts to revamp the Group. Its latest offer is geared towards the parent group as well as external third-party companies and includes a support service for the

entire life-cycle of a customer relationship. KQ IS thus provides internal and external clients with a complete

KarstadtQuelle Information Services

spectrum of information services, with added focus on marketing, risk- and claim-management. Not

only that, but the service portfolio also includes a variety of consulting and implementation services. This all adds up to make for a group-wide 10-point programme that is launching KarstadtQuelle and KQ IS forward into an extremely promising field of business.

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intensive search with a series of exhaustive trials at the end of 2001, specifically because the products are characterized by high-quality recognition technology, high performance and stability that also suit very large databases". He goes on: "In addition, the products are compatible with all usual system platforms and are also excellently suited to the mainframe environment."

The AMS core contains central data fields for persons and addresses, offering the same information to all relevant clients. The client also has at his disposal a selection of additional modules offering information on geo-coding, credit ratings and

Hans-Gerhard Müller, Special AMS Co-ordinator for KarstadtQuelle Information Services GmbH: "The right address maintenance system can save a great deal of money!"



System Platforms in the KarstadtQuelle Group

The central address management applications such as the customer data warehouse or the new AMS utilize Uniserv products on IBM mainframes under z/OS (formerly MVS) with CICS and DB/2. For special applications, the Uniserv products are used in the KarstadtQuelle Group also under Sun Solaris with Oracle® and under Windows NT.

logistics. The forerunner of the newly developed AMS was the group-wide household database (HHDB), which by 2000 was already supported by Uniserv products. It currently boasts a redundancy-free scope of about 60 million addresses, but is only implemented as a batch-clearing database without general online functions. The latest AMS developed by KQ IS takes care of both. Firstly, batch options ensure the integration of large amounts of address data, for example, when several tens of thousands of catalogue requests recorded offline need to be processed

quickly. Secondly, online functionality can be implemented into the client's applications. The integration of the new AMS online features will make it no longer necessary to maintain own customer or prospect management systems. Not only that, but AMS also offers online processing options, which only a fraction of client management systems currently have. Uniserv software provides the basis for the address quality checks performed in both areas.

Synergy Effects with Smart Quality Assurance

After planned integration of all KarstadtQuelle Group subsidiaries into AMS, the net number of managed addresses will undergo another significant increase, despite redundancy-free storage. Authorized users will have access at all times to addresses that are up-to-date, free of redundancies and greatly enhanced by extra information. A system known as "accounting" will provide an added incentive to enter changes and new information as quickly and accurately as possible into AMS. Bonus points will be awarded to every client who enters fresh information on an address, completes missing data or otherwise contributes to the quality of the managed address. Other users with a business relationship to the address pay for the fact that they profit from those changes and enhancements.

Where are these Developments Leading?

While the address of the customer was only given secondary importance in the stationary retail sector, the subsequent introduction of customer loyalty cards has led to a greater awareness of its potential. The savvy that's long been a vital pillar of the mail order sector is now giving rise to synergies throughout the entire KarstadtQuelle Group. Centrally accessible information about who buys what, where and when makes it possible to approach potential buyers and address their individual needs with a minimum of dispersion loss. That's just why the KarstadtQuelle Group is planning to issue customer loyalty cards in association with Deutsche Telekom. These will also function as payment cards, thus allowing companies to improve even further their customer

targeting. On the face of it, effective direct marketing campaigns have little to do with AMS itself, but the system is at the core of them all. As Hans-Gerhard Müller sums up: "The up-front base must first be tidy, if existing data is to be correctly assigned within it." In other words, an up-to-date and accurate, redundancy-free address database is the key to the proper management of existing information. Up-to-the-minute data is crucial for achieving address quality.

Conclusion

For Hans-Gerhard Müller, the advantages are clear and he puts it in a nutshell saying: "There are a number of reasons for opting for high-quality address management: accurate and flawless addressing, the cut in costs that results from the elimination of redundancies and errors that would otherwise have been passed on, increased profitability and last but not least, getting a decisive step ahead of the competition. This of course, not only holds true for those of us at

KarstadtQuelle, but also for other companies, whom we at Karstadt-Quelle Information Services GmbH will be able to offer an effective service with our systems in the near future."

Contact Partner:

KarstadtQuelle
Information Services GmbH
Hans-Gerhard Müller
Special AMS Co-ordinator
Adam-Opel-Straße 18
60386 Frankfurt
Telephone +49 (0) 69/4 20 91-1 99
Telefax +49 (0) 69/4 20 91-1 34
hans-gerhard.mueller@kqjis.de

Uniserv, Pforzheim



- Founded 1969
- Leading provider of address management software
- Product portfolio – international, Web-capable, platform-independent, sector-neutral
- Areas of use for software – CRM, e-commerce, 1:1 marketing, ERP projects, call center activities, micro-marketing, geo-coding
- Benefit: ability to optimally address customers on the basis of validated address information

Additional Information

Uniserv GmbH • Rastatter Str. 13 • 75179 Pforzheim/Germany
Telephone: +49 (0) 7231/936-0 • Telefax: +49 (0) 7231/936-30 02 • e-mail: info@uniserv.com • www.uniserv.com



success story



Dr. Martin Krämer,
Executive Board Spokes-
man of KarstadtQuelle

Information Services GmbH:

***“The address management system will be a decisive competitive factor in the future. CRM projects at companies that do not realize this will either fail or only earn a fraction of the potential ROI.*”**

The KarstadtQuelle Group has already implemented something that many other companies still only dream of – namely, the central management of customer and prospect data of its various group subsidiaries. Despite various IT platforms, highly diverse operative application systems and a different identification number for the same customer or prospect at each group company, Uniserv software has enabled KQ IS to already implement a “single view of the customer” in the customer data warehouse. Furthermore, the Uniserv products perform an important function in B2C marketing by automatically creating a perspective of households or buildings. Uniserv also provides the assignment systems for diverse reference information for the address database.

With the new AMS now, we plan to bring additional online functions into the client-specific applications.”

success story



Roland Pfeiffer, Managing Director of Uniserv GmbH: “Collaborative Address Master Data Management enables company groups to merge decentralized address databases into one large, central customer/prospect database. That’s a major prerequisite for the ‘single view of the customer’. It has to be possible to consolidate relevant data from individual sources with the minimum manual effort or even none whatsoever. Identical records as well as similar data records must be traceable, even if different customer code numbers have been issued. This consolidation is not simply a one-off process, but should be taking place continuously within the larger framework of maintenance the whole time. Intelligent methods are called for, particularly in decentralized maintenance, if data quality is to be automatically guaranteed and errors are to be prevented from creeping into the database.”

